

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 1 — 0 0 5

2. STATE:

South Dakota

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

June 1~~3~~, 2001 *June 16, 2001*

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

447.250

7. FEDERAL BUDGET IMPACT:

a. FFY 2001 \$ 0
b. FFY 2002 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, page 7

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

Attachment 4.19-A, page 7

10. SUBJECT OF AMENDMENT:

Payment of Disproportionate Share Hospitals

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

James W. Ellenbecker

14. TITLE:

Secretary

15. DATE SUBMITTED:

6/13/01

16. RETURN TO:

Rick LaBrie
Dept. of Social Services
Office of Medical Services
700 Governors Drive
Pierre, SD 57501-2291

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

June 15, 2001

18. DATE APPROVED:

7/27/01

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

6/16/01

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Spencer K. Ericson

22. TITLE:

Acting Associate Regional Administrator

23. REMARKS:

POSTMARK: June 14, 2001

Group 2: Psychiatric hospitals operated by the State of South Dakota.
Group 3: Other hospitals. (Any hospital not in Group 1 or 2.)

Payments to Group 1 hospitals qualifying under Medicaid inpatient utilization method will be based on the standard deviation that a facility's qualifying rate exceeds the Medicaid inpatient utilization mean for all participating hospitals. Payments to Group 1 hospitals qualifying under low-income utilization method will be based on the standard deviation that a facility's qualifying rate exceeds the low-income utilization mean for all participating hospitals. Payment will be made according to the following schedule:

if the qualifying rate is greater than the mean rate to less than 1 standard deviation above the mean - \$23,100

if the qualifying rate is 1 standard deviation above the mean to less than 2 standard deviations above the mean - \$34,100

if the qualifying rate is 2 standard deviations above the mean to less than 3 standard deviations above the mean - \$44,000

if the qualifying rate is 3 or more standard deviations above the mean - \$50,000.

Payments to Group 2 hospitals qualifying under Medicaid inpatient utilization method will be based on the standard deviation that a facility's qualifying rate exceeds the Medicaid inpatient utilization mean for all participating hospitals. Payments to Group 2 hospitals qualifying under low-income utilization method will be based on the standard deviation that a facility's qualifying rate exceeds the low-income utilization mean for all participating hospitals. Payment will be made according to the following schedule:

if the qualifying rate is greater than the mean rate to less than 1 standard deviation above the mean - \$100,000

if the qualifying rate is 1 standard deviation above the mean to less than 2 standard deviations above the mean - \$250,000

if the qualifying rate is 2 standard deviations above the mean to less than 3 standard deviations above the mean - \$500,000

if the qualifying rate is 3 or more standard deviations above the mean - \$751,299.

Payments to Group 3 hospitals qualifying under Medicaid inpatient utilization method will be based on the standard deviation that a facility's qualifying rate exceeds the Medicaid inpatient utilization mean for all participating hospitals. Payments to Group 2 hospitals qualifying under low-income utilization method will be based on the standard deviation that a facility's qualifying rate exceeds the low-income utilization mean for all

TN # 01-005
SUPERSEDES
TN # 00-005

APPROVAL DATE

07/27/01

EFFECTIVE DATE

6/16/01